

Resolution No.: 17-961
Introduced: November 19, 2013
Adopted: December 3, 2013

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #14-362 to the FY14 Operating Budget
Montgomery County Government
Department of Economic Development
Economic Development Fund Grant and Loan Program \$750,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive, who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State, or County law or regulation, or one that is approved after January 1st of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1st of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY14 Operating Budget appropriation increases for the Economic Development Fund:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$750,000		\$750,000	General fund Undesignated Reserve
3. This increase is needed because the County intends to offer a financial incentive of \$750,000. Based on Bill 14-12, the County Executive must not provide assistance to a private employer valued at more than \$500,000 unless the grant or loan is approved by the Council in a special or supplemental appropriation.

4. Emergent Biosolutions, Inc. ("Emergent Biosolutions"), with its headquarters located in Gaithersburg, Maryland, has achieved worldwide recognition as a premier biodefense developer and supplier of medical countermeasures to the U.S. Government. Since its founding in 1998, its revenues have increased ten-fold to nearly \$300 million annually in the last ten years, and the company has grown from 30 employees to 300 employees in Maryland.

Emergent Biosolutions plans to relocate and expand its headquarters operations by acquiring an existing building with approximately 130,000 square feet of space located at 400 Professional Drive, Gaithersburg, Maryland, of which the company will initially occupy 40,000 to 50,000 square feet of space by December 31, 2014, with additional occupancy in the building as business growth allows. The company will also retain its existing research and development building of approximately 47,000 square feet of space at 300 Professional Drive, Gaithersburg, Maryland. Emergent Biosolutions is expected to create 133 new jobs by 2018 in addition to its existing 235 jobs in the County.

5. The County Executive recommends a supplemental appropriation to the FY14 Operating Budget in the amount of \$750,000 for Emergent Biosolutions, Inc., and the source of funds will be specified as General Fund Undesignated Reserves.
6. Notice of public hearing was given, and a public hearing was held.


Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY14 Operating Budget for Economic Development Fund is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$750,000		\$750,000	General Fund Undesignated Reserve

This is a correct copy of Council action.


 Linda M. Lauer, Clerk of the Council